

# CHAPMAN AND CUTLER

Theodore S. Chapman  
1877-1943  
Henry E. Cutler  
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RECORDATION NO. 21298 FILED

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MAR 30 '98

11-00AM

March 30, 1998

RECORDATION NO. 21298-A B C D E FILED

MAR 30 '98

11-00AM

Mr. Vernon A. Williams, Secretary  
Surface Transportation Board  
1925 K Street, N.W., Room 704  
Washington, D.C. 20423-0001

Re: Union Pacific Railroad Company  
Leveraged Lease Locomotive Financing  
UPRR 1998-C

Dear Mr. Williams:

I am enclosing for recording pursuant to Section 11301 of Title 49 of the United States Code, two copies of each of the primary documents and the secondary documents described below. As one of the attorneys representing the Lessee in this transaction, I have knowledge of the matters described in this letter.

The primary documents are as follows:

(1) Memorandum of Lease Agreement (UPRR 1998-C), dated March 31, 1998, between MLD SC Rail Leasing I Co., Ltd., as lessor (the "Lessor"), and Union Pacific Railroad Company, as lessee (the "Lessee"); and

(2) Memorandum of Mortgage and Security Agreement (UPRR 1998-C), dated March 31, 1998, between the Lessor, as borrower (the "Borrower"), and Harris Trust and Savings Bank, as security trustee (the "Security Trustee").

The secondary documents are as follows:

(1) Memorandum of Lease Supplement No. 1 (UPRR 1998-C), dated March 31, 1998, between the Lessee and the Lessor;

(2) Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C), dated March 31, 1998, between the Lessor, as Borrower, and the Security Trustee; and

(3) Memorandum of Dollar Account Pledge Agreement (UPRR 1998-C), dated March 31, 1998, between Kreditanstalt für Wiederaufbau ("KfW"), as agent (the "Agent"), and the Lessor, as Borrower.

The primary documents to which Memorandum of Lease Supplement No. 1 (UPRR 1998-C) and Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C) are connected are the Memorandum of Lease Agreement (UPRR 1998-C) and the Memorandum of Mortgage and Security Agreement (UPRR 1998-C), respectively, referred to above, which are being submitted for recording concurrently therewith.

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The names and addresses of the parties to the enclosed documents are as follows:

MEMORANDUM OF LEASE AGREEMENT

Lessee: Union Pacific Railroad Company  
1717 Main Street, Suite 5900  
Dallas, Texas 75201-4605

Lessor: MLD SC Rail Leasing I Co., Ltd.  
2-9, Nishi-Shinbashi 1-chome  
Minato-ku  
Tokyo 105, Japan  
Attention: Representative Director

MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT

Borrower: MLD SC Rail Leasing I Co., Ltd.  
2-9, Nishi-Shinbashi 1-chome  
Minato-ku  
Tokyo 105, Japan  
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,  
as Security Trustee  
311 West Monroe Street  
Chicago, Illinois 60690

MEMORANDUM OF LEASE SUPPLEMENT NO. 1

Lessee: Union Pacific Railroad Company  
1717 Main Street, Suite 5900  
Dallas, Texas 75201-4605

Lessor: MLD SC Rail Leasing I Co., Ltd.  
2-9, Nishi-Shinbashi 1-chome  
Minato-ku  
Tokyo 105, Japan  
Attention: Representative Director

MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1

Borrower: MLD SC Rail Leasing I Co., Ltd.  
2-9, Nishi-Shinbashi 1-chome  
Minato-ku  
Tokyo 105, Japan  
Attention: Representative Director

Security Trustee: Harris Trust and Savings Bank,  
as Security Trustee  
311 West Monroe Street  
Chicago, Illinois 60690

CHAPMAN AND CUTLER

MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT

Borrower: MLD SC Rail Leasing I Co., Ltd.  
2-9, Nishi-Shinbashi 1-chome  
Minato-ku  
Tokyo 105, Japan  
Attention: Representative Director

Agent: Kreditanstalt für Wiederaufbau  
Palmengartenstrasse 5-9  
60325 Frankfurt am Main, Germany

The description of the equipment covered as of the date hereof by the aforesaid Memorandum of Lease Agreement, Memorandum of Mortgage and Security Agreement, Memorandum of Lease Supplement No. 1, Memorandum of Mortgage Supplement No. 1 and the Memorandum of Dollar Account Pledge Agreement is as set forth on Exhibit A hereto.

A fee of one hundred thirty dollars (\$130.00) is enclosed. Please time and date stamp the enclosed copies of each of the enclosed documents along with the extra copy of this letter as proof of filing and recordation of the enclosed documents and return the original and any extra copies of such documents and this letter not needed by the Board for recordation to:

Karl T. Williams, Esq.  
Chapman and Cutler  
111 West Monroe  
Chicago, Illinois 60603

A short summary of each of the documents to appear in the index follows:

(1) MEMORANDUM OF LEASE AGREEMENT:

Memorandum of Lease Agreement (UPRR 1998-C) between MLD SC Rail Leasing I Co., Ltd., as Lessor, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated March 31, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

(2) MEMORANDUM OF MORTGAGE AND SECURITY AGREEMENT:

Memorandum of Mortgage and Security Agreement (UPRR 1998-C) between MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated March 31, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing the road numbers listed in the Schedule thereto.

CHAPMAN AND CUTLER

(3) MEMORANDUM OF LEASE SUPPLEMENT NO. 1:

Memorandum of Lease Supplement No. 1 (UPRR 1998-C) between MLD SC Rail Leasing I Co., Ltd., as Lessor, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Union Pacific Railroad Company, as Lessee, 1717 Main Street, Suite 5900, Dallas, Texas 75201-4605, dated March 31, 1998, covering diesel electric locomotives bearing the road numbers listed in the Schedule thereto. Memorandum of Lease Supplement No. 1 is related to the Memorandum of Lease Agreement between the Lessor and the Lessee, dated March 31, 1998, which is filed concurrently herewith.

(4) MEMORANDUM OF MORTGAGE SUPPLEMENT NO. 1:

Memorandum of Mortgage Supplement No. 1 (UPRR 1998-C) between MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, and Harris Trust and Savings Bank, as Security Trustee, 311 West Monroe Street, Chicago, Illinois 60690, dated March 31, 1998, covering the obligations of the Borrower and the Lessee relating to diesel electric locomotives bearing road numbers listed in the Schedule thereto. The Memorandum of Mortgage Supplement No. 1 is related to the Memorandum of Mortgage and Security Agreement between the Borrower and the Security Trustee, dated March 31, 1998, which is filed concurrently herewith.

(5) MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT:

Memorandum of Dollar Account Pledge Agreement (UPRR 1998-C) between Kreditanstalt für Wiederaufbau, as Agent, Palmengartenstrasse 5-9, 60325 Frankfurt am Main, Germany, and MLD SC Rail Leasing I Co., Ltd., as Borrower, 2-9, Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105, Japan Attention: Representative Director, dated March 31, 1998, relating to the grant by the Borrower to the Agent of a security interest in the Borrower's right, title and interest in and to the Dollar Account described in the Dollar Account Pledge Agreement, dated March 20, 1998, between the Agent and the Borrower.

If you have any questions or need further information, please do not hesitate to contact the undersigned (312-845-3892).

Sincerely,

CHAPMAN AND CUTLER

By Karl T. Williams  
Karl T. Williams

KTW/wp  
Enclosures

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EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Motors Corporation	11	8209
(Electro-Motive Division) Model		8213
SD9043MAC Diesel Electric		8216
Locomotives		8217
		8219
		8222
		8223
		8225
		8230
		8232 and
		8233

MAR 30 '98

11-00 AM

MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT  
(UPRR 1998-C)

Memorandum of Dollar Account Pledge Agreement, made and entered into on March 31, 1998 by and between MLD SC Rail Leasing I Co., Ltd., a Japanese corporation ("*Borrower*"), and Kreditanstalt für Wiederaufbau ("*Agent*").

## WITNESSETH:

The undersigned have entered into that certain Dollar Account Pledge Agreement (UPRR 1998-C) (the "*Pledge Agreement*"), dated March 20, 1998, by which the Borrower has pledged, assigned, and granted to the Agent a security interest in, all of the Borrower's right, title and interest in and to the Dollar Account described in said Pledge Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

MLD SC RAIL LEASING I CO., LTD.

By Kathryn A. Kapusta

Name: Kathryn A. Kapusta

Title: Attorney-in-Fact

Executed on this 20th day of March, 1998.

KREDITANSTALT FÜR WIEDERAUFBAU

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: Vice President

Executed on this \_\_\_\_ day of March, 1998.

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: Senior Project Manager

Executed on this \_\_\_\_ day of March, 1998.

**MEMORANDUM OF DOLLAR ACCOUNT PLEDGE AGREEMENT  
(UPRR 1998-C)**

Memorandum of Dollar Account Pledge Agreement, made and entered into on March 31, 1998 by and between MLD SC Rail Leasing I Co., Ltd., a Japanese corporation ("*Borrower*"), and Kreditanstalt für Wiederaufbau ("*Agent*").

**WITNESSETH:**

The undersigned have entered into that certain Dollar Account Pledge Agreement (UPRR. 1998-C) (the "*Pledge Agreement*"), dated March 20, 1998, by which the Borrower has pledged, assigned, and granted to the Agent a security interest in, all of the Borrower's right, title and interest in and to the Dollar Account described in said Pledge Agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

MLD SC RAIL LEASING I CO., LTD.

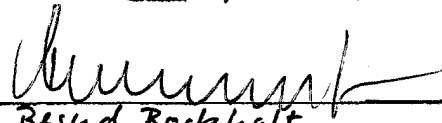
By \_\_\_\_\_  
Name: Kathryn A. Kapusta  
Title: Attorney-in-Fact

Executed on this \_\_\_\_ day of March, 1998.

KREDITANSTALT FÜR WIEDERAUFBAU

By   
Name: Christiane Leisbach  
Title: Vice President

Executed on this 20<sup>th</sup> day of March, 1998.

By   
Name: Bernd Bockholt  
Title: Senior Project Manager

Executed on this 20<sup>th</sup> day of March, 1998.

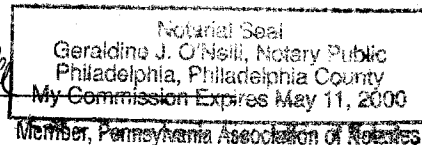
*Pennsylvania*  
STATE OF ~~NEW YORK~~ )  
COUNTY OF *Philadelphia* ) SS.:

On this, the *20th* day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of MLD SC RAIL LEASING I CO., LTD., that said instrument was signed on March *20*, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

*Geraldine J. O'Neill*  
Name:  
Notary Public

My Commission Expires:  
Residing in *Philadelphia*



STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS.:

On this, the \_\_\_\_\_ day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_, who being by me duly sworn, says that he/she is the Vice President of KREDITANSTALT FÜR WIEDERAUFBAU, that said instrument was signed on March \_\_, 1998 on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public  
My Commission Expires:  
Residing in \_\_\_\_\_



STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF \_\_\_\_\_ )

On this, the \_\_\_\_ day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared Kathryn A. Kapusta, who being by me duly sworn, says that she is the Attorney-in-Fact of MLD SC RAIL LEASING I CO., LTD., that said instrument was signed on March \_\_, 1998 on behalf of said corporation by authority of its Board of Directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

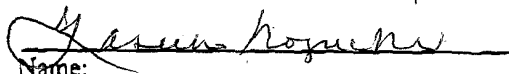
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

\_\_\_\_\_  
Name:  
Notary Public  
My Commission Expires:  
Residing in \_\_\_\_\_

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF NEW YORK )

On this, the 20th day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared Christiane Laibach who being by me duly sworn, says that he/she is the Vice President of KREDITANSTALT FÜR WIEDERAUFBAU, that said instrument was signed on March 20 1998 on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

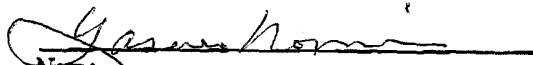
IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

  
Name:  
Notary Public  
My Commission Expires:  
Residing in Brooklyn, NY  
YASUKO NOGUCHI  
Notary Public, State of New York  
No. 24-4755985  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires October 11, 1998

STATE OF NEW YORK )  
 ) SS.:  
COUNTY OF NEW YORK )

On this, the 20th day of March, 1998, before me, a Notary Public in and for said County and State, personally appeared Bernd Bockholt, who being by me duly sworn, says that he/she is the Senior Project Manager of KREDITANSTALT FÜR WIEDERAUFBAU, that said instrument was signed on March 20, 1998 on behalf of said corporation by authority of its Board of Directors, and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

  
Name: \_\_\_\_\_  
Notary Public  
My Commission Expires:  
Residing in Brooklyn, NY

YASUKO NOGUCHI  
Notary Public, State of New York  
No. 24-4755935  
Qualified in Kings County  
Certificate Filed in New York County  
Commission Expires October 11, 1998